

**Maryland E-Innovation Initiative Fund Authority**  
**Wednesday, September 29, 2016**  
**10:00 a.m. – 12:00 noon**

**Maryland Technology Development Corporation (TEDCO)**  
**7021 Columbia Gateway Drive**  
**Suite 200**  
**Columbia, MD 21046**

The Maryland E-Innovation Initiative Fund Authority (“MEIFA” or the “Authority”) convened a meeting at 10:00 a.m. on September 29, 2016 at the offices of the Maryland Technology Development Corporation (TEDCO), 7021 Columbia Gateway Drive, Suite 200, Columbia, Maryland. A quorum was present.

**Members:**

John Wasilisin, President & Chief Operating Officer, TEDCO  
Andy Jones, Managing Director, Maryland Venture Fund, TEDCO  
Bret Schreiber, Designee of the Secretary of the Maryland Department of Commerce  
Tom Sadowski, Designee of the Chancellor of the University System of Maryland

**Staff, Guests and Representatives:**

Lara Hjortsberg, AAG for the Maryland Department of Commerce  
Delterese George, Strategic Industries & Entrepreneurship, Maryland Department of Commerce  
Emily Tocknell, Policy, Research and Government, Maryland Department of Commerce  
Andrea Trisciuzzi, Vice President of College Advancement, Washington College  
Bill Schumer, Washington College  
Derrick Barker, University of MD School of Medicine, Baltimore

Donna Howard, Morgan State University  
Nancy Gillece, Vice President for Institutional Advancement, Hood College  
Matt Power, Vice President, Government Affairs, Maryland Independent College and University Association

**Call Meeting to Order:**

Mr. Schreiber informed the Authority members that Chairman Hallenbeck would not be attending the meeting. The Authority members voted for Mr. Schreiber to act as chair of the meeting. Mr. Schreiber called the meeting to order at 10:11 a.m. It was noted that the only order of business for the closed session was to approve the meeting minutes for the June 28th closed session.

**Roll Call: Introduction of Authority Members and Others in Attendance:**

Mr. Bret Schreiber took roll of the participants in attendance in person and on the phone introduced themselves. Representatives of colleges and universities across the State were invited to participate in the E-Nnovation Fund Authority meeting to discuss the potential scenarios to create greater flexibility in meeting statutory requirements for purposes of qualified donations in an effort to allow greater participation by the smaller colleges and universities in the program across the State.

#### **Review and Approval of previous Meeting Minutes:**

Mr. Bret Schreiber noted that the first item on the agenda for the meeting was the approval of the minutes for the open session for the June 28, 2016.

After motion duly made and seconded, the Authority members unanimously approved the minutes for the meeting held on June 28, 2016.

#### **Application Updates and General Discussions**

Mr. Bret Schreiber then put forth the second order of business which was the packets distributed to the Authority for informational purposes. Included was the press release for round #1 awardees, the Press Release anticipated for immediate release, a status update of the FY 2017 awards, and an update of the E-Nnovation Fund budget. Certification agreements have been sent to Round #1 awardees for signature: Johns Hopkins University, the University of Maryland, Baltimore, and the University of Maryland, College Park. Mr. Schreiber noted that there is a report due on September 30, 2016 to Commerce from those institutions that received funding in FY16 providing the Authority with an update on the awarding of the funds and progress on funded projects: Washington College, the John Hopkins University, The University of Maryland, Baltimore and the University of Maryland, College Park. Mr. Schreiber noted that no funds had been disbursed to date and that, therefore, there was little expectation of notable progress being reported. He stated that reports would be forwarded to Authority members for review once received.

An update on E-Novation award to Morgan State University was given. Mr. Schreiber explained that Morgan State University had been awarded \$1 million for the 'Internet of Things' under the E-Nnovation Fund Initiative but that due to an issue with its donor being unable to provide the agreed matching funds in accordance with statute, the grant funds had to be returned. It was noted that of the \$1 million awarded, only \$750 thousand had been disbursed. Mr. Schreiber noted that, to date, all funds have been returned to the State as required by the regulations. Mr. Schreiber asked if there were other comments or questions. Ms. Donna Howard commented that Morgan State University is continuing its search for a donor and hopes to re-submit its proposal to the Authority in the future.

The announcement was made that Mr. David Baggett, Arcode Corporation had resigned from the Authority. There is currently an ongoing process to find an appropriate replacement for his place with the Authority. The Authority is required to have a quorum to conduct business, which is at least four members. Mr. Bret Schreiber confirmed that the Authority had met that requirement.

## **Budget Status Update**

Mr. Schreiber explained the following with respect to the FY 2017 budget - \$8.45 million was appropriated. After expenses and FY16 carry over forwarded amount, there is a total budget of \$8.556 million.

The following decisions were announced:

- Johns Hopkins University for the Mary Jo Rogers Professorship on Melanoma – (\$1.375 million);
- The University of Maryland, Baltimore for the Robert E. Fischell, ScD Dean's Endowed Professorship – (\$1 million);
- The University of Maryland, College Park for the Andrew and Mary Balo and Nicolas and Susan Simon Endowed Professorship – (\$1 million); and
- The University of Maryland, College Park for the Elizabeth Stevinson Iribe Chair in Computer Science – (\$1.1 million).

### **Total Awarded – \$4.5 million**

The Authority members briefly discussed the existing regulatory cap for awarding funds to institutions: Johns Hopkins University is \$737,500 under the cap; the University of Maryland, Baltimore is \$1.1 million under cap; and the University of Maryland, College Park has reached its regulatory limits under the cap. Under the statute and the regulations established by the Authority, those institutions that have reached the cap can only apply for Round #2 if all funds have not been awarded after review and approval of submitted applications by other institutions. It was noted that second round of applications are due November 1, 2016, and that for the second round, the E-Nnovation Fund has \$4,068,750 that has not been awarded. It was further noted that if the \$1 million from the returned Morgan State application were to be included, the total amount for Round #2 could be \$5,068,750. Ms. Hjortsberg noted that the total was only an assumption and that there would be a budgetary discussion with respect to the treatment of the Morgan State funds.

The amount of funds available to date in the E-Nnovation budget is \$9,077,201.47. Mr. Schreiber remarked that there was a slight increase in the budget. He stated that tip jars and electronic bingo created more revenue than was originally projected, which generated the increase. He further noted that when adding the \$500,000 that was added into the general fund in the previous year's budget, the \$1 million of funding added back in from Morgan State University --the cash balance is \$933,000. He concluded that adding in estimated fund source revenues for FY17 and the interest revenue that are expected, the year-end balance would be estimated at \$10.1M.

Discussion continued around the \$1 million returned by Morgan State and the process required to request that DBM return the funds be added back into the E-Nnovation fund, given that the funds were not spent in FY16. A recommendation was made and unanimously agreed upon to make the request to DBM to return the \$1 million back to the E-Nnovation Fund.

Ms. Hjortsberg, advised the Authority that the Open Meetings Act had been amended to include requirements to post the agenda and minutes to the E-Nnovation website. The Authority then discussed the impact of the 90-day statutory requirement to deposit matching funds for the N-novation Fund program. The higher education institutions present were vocal in expressing the challenge of finding donors that could provide money in hand within the 90 day required window. Three possible resolutions were discussed: (1) extending the required deposit for matching funds from ninety to 180 days; (2) changing the definition of 'Qualified Donations' in the statute to allow institutions to guarantee the donor commitment with unrestricted funds; or (3) eliminate the 90-day deposit requirement and change it to multi-year staging to get the full amount of gifted funds deposited. It was recommended and agreed upon that Ms. Hjortsberg would draft a proposed legislative amendment that would allow institutions to use unrestricted funds. Institutions in attendance were asked to provide supporting information regarding the types of unrestricted funds that might be used. Ms. Hjortsberg agreed to distribute a draft to the Authority members for review within the next 10 days, after which the legislation would be presented to the legislative staff within Commerce.

Mr. Schreiber asked if there were any comments, questions or concerns from those present or on the conference line regarding the open session discussion before moving into Closed Session. There were none.

#### **Approval of Closed Meeting Minutes – Performance of Administrative Function (§3-104 of the Open Meetings Act)**

At 10:58 a.m., upon motion duly made and seconded, the Authority members voted to close the meeting in in order to approve the minutes of the closed session of the June 28, 2016 meeting of the Authority, an administrative function under §3-104 of the Open Meetings Act. The following members (and designees) of the Authority were present during the closed session: Messrs. Wasilisin, Jones, Schreiber and Sadowski. Ms. Hjortsberg and Ms. George also remained during the closed session. The open session of the meeting resumed at 11:00 a.m. At Mr. Schreiber's request, Ms. Hjortsberg announced that the Authority approved the minutes of the closed sessions of the June 28 meeting of the Authority.

The next meeting of the Authority was tentatively scheduled for November 22, 2016 at 10:00 a.m. at the TEDCO offices.

There being no further business, a motion to adjourn the meeting was entered, seconded and approved unanimously at 11:01 a.m.